

CODE OF ETHICS AFFECTING
NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MEMBERS AND EMPLOYEES

I. PURPOSE

To state the Code of Ethics for the New Jersey Housing and Mortgage Finance Agency.

This Code is intended to complement the New Jersey Conflicts of Interest Law (N.J.S.A. 52:13D-12 et seq.). It is also intended to supersede all previous codes of ethics, including that of the Department of Community Affairs, which may have heretofore governed the Members and employees of this Agency.

II. DEFINITIONS

“Agency” – shall mean the New Jersey Housing and Mortgage Finance Agency.

“Code” – shall mean this Code of Ethics.

“employee” – shall mean any person employed by the Agency.

“Executive Director” – shall mean the Executive Director of the New Jersey Housing and Mortgage Finance Agency.

“Immediate family” – shall mean the person’s spouse, child, parent or sibling residing in the same household.

“Member” – shall mean any of the seven (7) members of the Agency as defined in N.J.S.A. 55:14K-1 et seq., or such additional members as may be provided for by the statute.

III. BASIC POLICY AND STRUCTURE OF THE CODE

The New Jersey Housing and Mortgage Finance Agency, as an agency of the state government, has a basic purpose to serve the public interest. All employees and Members must therefore conduct themselves in the course of their duties so as to hold the respect, trust and confidence of the public. They must avoid any activity or association which is, or appears to be, a violation of the public interest.

To maintain the public trust and confidence, this Code of Ethics is adopted. Its purpose is to inform employees and Members of the standards of conduct and responsibilities that govern them.

This Code of Ethics differentiates between three types of activities that impact upon its objectives of fostering trust and confidence in the Agency:

- A. Activities that so clearly constitute a conflict of interest and violation of public trust that they are expressly prohibited. For example, the acceptance of a gift or favor from anyone doing business with the Agency or the solicitation of a bribe.
- B. Activities that may give rise to questions about an employee's integrity and, though he or she may have done no wrong, he or she is under an obligation to report such activities to the Executive Director or the Executive Director's designee. For example, the receipt of an offer of a bribe.
- C. Activities that may appear to give rise to a conflict of interest. Employees are required to notify the Executive Director or the Executive Director's designee and, in some cases, obtain permission before engaging in such activities. For example, an employee engaging in any employment other than his or her job with the Agency or receiving an invitation from someone doing business with the Agency.

In any situation where an employee or Member is not certain what the standard of conduct should be, the employee or Member should seek the advice of the Executive Director, the Executive Director's designee or the Executive Commission on Ethical Standards in order to avoid the possibility of violating this Code.

IV. USE OF STATE PROPERTY

An employee or Member shall use the property and funds under his or her official control in strict accordance with prescribed procedures and not for personal gain or benefit.

- A. Agency property, including office supplies, cars and funds, shall only be used for Agency business and not for personal use. If extenuating circumstances require the utilization of Agency property for personal use, the employee or Member shall reimburse the Agency at a rate established by it.
- B. Agency employees shall not be directed to type personal communications or run personal errands.

IV. ACCEPTANCE OF GIFTS

With respect to the acceptance or solicitation of any gift, favor, service at preferential rates, employment, offer of employment or any other thing of value, all employees and Members (such Members being "Special State officers or employees") are subject to the provisions of N.J.S.A. 52:13D-14 and 52:13D-24, which provides as follows:

"No State officer or employee, special State officer or employee, or member of the Legislature shall accept from any person, whether directly or indirectly and whether by himself or through his spouse or any member of his family or

though any partner or associate, any gift, favor, service, employment, or offer of employment or any other thing of value which he knows or has reason to believe is offered to him with intent to influence him in the performance of his public duties and responsibilities. This section shall not apply to the acceptance of contributions to the campaign of an announced candidate for elective public office.” (N.J.S.A. 52:13D-14.)

“No State officer or employee, special State officer or employee, or member of the Legislature shall solicit, receive or agree to receive, whether directly or indirectly, any compensation, reward, employment, gift or other thing of value from any source other than the State of New Jersey, for any service, advice, assistance or other matter related to his official duties, except reasonable fees for speeches or published works on matters within his official duties and except, in connection therewith, reimbursement of actual expenditures for travel and reasonable subsistence for which no payment or reimbursement is made by the State of New Jersey. This section shall not apply to the solicitation or acceptance of contributions to the campaign of an announced candidate for elective public office.” (N.J.S.A. 52:13D-24.)

Furthermore, an employee shall not solicit, receive or agree to receive, whether directly or indirectly, any compensation, reward, employment, gift or other thing of value from any source other than the Agency, for any service, advice, assistance, or other matter, related to his or her official duties. Reasonable fees for speeches or published works on matters within his or her official duties and reimbursements for actual expenditures connected therewith for travel and reasonable subsistence, which is not paid by the Agency, may be accepted only after approval by the Executive Director. Full disclosure shall be made by an employee to the Executive Director, the Executive Director’s designee or the Executive Commission on Ethical Standards in the event of any offer of a gift, service, other thing of value or reimbursement.

Except as noted elsewhere in this Code, employees are responsible for full payment for the costs of their meals, beverages, lodging and entertainment and may not accept the same from any person, partnership or corporation doing business with the Agency, contemplating such business, or seeking to influence official actions. Reimbursement by the Agency for expenses is limited to those allowed by and in amounts permitted by the Agency.

- A. The acceptance of any gifts, preferential loans, services at preferential rates, discounts, gratuities or anything of monetary value from a person or organization doing business with the Agency or the granting of special treatment or favors to such persons or organization for the purpose of obtaining personal gain, is a conflict of interest. Under this section, the term “person” includes employees or agents of organizations doing business with or contemplating doing business with the Agency.

This section covers such gifts, loans, services, discounts, gratuities, or anything of monetary value that are made directly or indirectly to an employee. Made indirectly means made to an employee's relative or designated organization. Relative refers to the immediate family of an employee, or the immediate family of an employee's spouse.

- B. Examples of gifts include cash, liquor, personal or household goods, use of cars, lodging and other favored treatment. This section also includes a specific prohibition, with the limited exception of subsection C below, against the acceptance of beverages or entertainment from persons or firms doing business with the Agency or contemplating doing business with it. This includes Christmas parties, open houses and other social functions given by persons or firms doing business with the Agency.
- C. Any employee who receives an invitation to any business-related function (a conference, groundbreaking, meal, open house, fund-raiser, appearance involving honorarium, etc.) from or with a firm or person doing business with the Agency or contemplating doing business with the Agency, should report the invitation, through his/her supervisor, using the form Reporting Requirement. A determination in consultation with appropriate persons will then be made as to whether representation of the Agency is appropriate, whether acceptance of the invitation will present any problems of conflict with the Code, and whether the Agency might wish to underwrite the costs incurred with participation in the activity as an alternative to accepting the invitation as offered.

VI. CONFLICT OF INTEREST

A. Overall Policy

- 1. An employee or Member shall not have any interest, financial or otherwise, direct or indirect, or engage in any business, transaction or professional activity, which is in conflict with the proper discharge of his or her duties in the public interest.
- 2. No employee or Member shall act in any way that might create an impression or suspicion among the public that he or she is violating his or her trust as an employee or Member.

B. General Provisions

1. Statutory Requirements

In accordance with N.J.S.A. 55:14K-39:

“a. No member, officer or employee of the agency shall have or attempt to have, for purposes of personal gain, directly or indirectly, any interest:

- (1) In any contract or agreement of the agency;
- (2) In the sale or purchase of any property by the agency;
- (3) In any eligible loan, loan to institutional lender or application therefore;
- (4) In any housing project constructed, improved, rehabilitated or operated, or to be constructed, improved, rehabilitated or operated under the provisions of this act; or
- (5) In any boarding house at which or to which a life safety improvement is or is to be constructed, acquired or rendered with moneys provided by a life safety improvement loan from the agency;

but this section shall not be construed to prohibit a member, officer or employee of the agency from being the borrower on a loan purchased by the agency made to provide financing for a single family dwelling which is the primary residence of the borrower, and the agency shall adopt a policy governing the eligibility of agency members, officers and employees for such loans.

2. Contracting With The State

- a. No officer or employee of the Agency shall knowingly himself, or by his partners or through any corporation which he controls or in which he owns or controls more than 10% of the stock, or by any other person for his use or benefit or on his account, undertake or execute, in whole or in part, any contract, agreement, sale or purchase of the value of \$25.00 or more, made, entered into, awarded or granted by any State agency; provided, however, that the provisions of this section shall not apply to purchases, contracts, agreements or sales which (1) are made or let after public notice and competitive bidding or which (2), pursuant to Section 5 of Chapter 48 of the Laws of 1944 (C.52:34-10), may be made, negotiated or awarded without public advertising or bids, if such purchases, contracts or agreements, including change orders and amendments thereto, shall receive prior approval of the Executive Commission on Ethical Standards if a State officer or employee of the Agency has an interest therein which would otherwise be forbidden by this section. (See N.J.S.A. 52:13D-19.) Any purchases, contracts, agreements or sales allowed by the provisions of this section shall be permitted only insofar as there is no violation of N.J.S.A. 55:14L-39.
- b. No member, officer or employee of the Agency shall act as officer or agent for a State agency or the transaction of any business with himself or with a corporation, company, association or firm in the pecuniary profits of which he has an interest (except that ownership or control of 10% or less of the stock of a corporation shall not be deemed an interest within the meaning of this section.) (See N.J.S.A. 52:13D-20.)

- c. No officer or employee of the Agency shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of, whether by himself or by or through any partnership, firm or corporation in which he has an interest or by any partner, officer or employee of any such partnership, firm or corporation any person or party other than the State in any negotiations for the acquisition or sale by the State or a State agency of any interest in real or tangible or intangible personal property, or in any proceedings relative to such acquisition or sale before a condemnation commission or court; provided, however, nothing contained in this section shall be deemed to prohibit any person from representing himself in negotiations or proceedings concerning his own interest in real property. (See N.J.S.A. 52:13D-15.)

3. Appearances Before The State and The Agency

- a. No member, officer or employee of the Agency, nor any partnership, firm or corporation in which he has an interest, nor any partner, officer or employee of any such partnership, firm or corporation, shall represent, appear for, or negotiate on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter pending before the Agency. (See N.J.S.A. 52:13D-16(a).)
- b. No officer or employee of the Agency, nor any partnership, firm or corporation in which he has an interest, nor any partner, officer or employee of any such partnership, firm or corporation, shall represent, appear for, or negotiate on behalf of, or agree to represent, appear for, or negotiate on behalf of, any person or party other than the State in connection with any cause, proceeding, application or other matter pending before any State agency. (See N.J.S.A. 52:13D-16(b).)
- c. Nothing in this section shall be deemed to prohibit any officer or employee of the Agency, or any Member, from representing, appearing for or negotiating on behalf of, or agreeing to represent, appear for, or negotiate on behalf of any person or party other than the State in connection with any proceeding pending before any court of record of this State, any proceeding in regard to a claim for compensation arising under Chapter 15 of Title 34 of the Revised Statutes (Workers' Compensation) any proceeding in connection with the determination or review of transfer inheritance or estate taxes, any proceeding in connection with the filing of corporate or other documents in the office of the Secretary of the State, any proceeding before the Division on Civil Rights, the New Jersey State Board of Mediation or the New Jersey Public Employment Relations Commission, the Unsatisfied Claim and Judgment Fund Board solely for the purpose of filing notice of intention pursuant to L. 1952, c. 174, s. 5(C.39:6-65), or any successor thereof or any proceeding on behalf of a county, municipality or school district, or any authority, agency or commission of any thereof except where the State is an

adverse party in the proceeding and provided he is not holding any office or employment in the State agency in which any such proceeding is pending. (See N.J.S.A. 52:13D-16.)

4. Confidentiality

- a. No employee or Member shall use his or her position with the Agency to gain an advantage in an outside business transaction for himself, herself, or others, or use or attempt to use his or her official position to secure advantages for himself, herself or others.
- b. No employee or Member shall use confidential information (information not available to the public) obtained in his or her work within the Agency to further his or her private financial interests. Thus, an employee or Member should not be investing in land, stock or other profit seeking ventures which may be influenced by present or future Agency business.
- c. No employee or Member shall use or disclose for another's use, whether or not for direct or indirect monetary gain, any information not generally available to the members of the public which he or she acquires by reason of his or her official duties.

C. Outside Employment and Activities

1. Notification of License

An employee or Member licensed by a specific agency of State government to engage in any particular business, profession, trade or occupation shall so notify the Executive Director of the Executive Director's designee on either:

- a. the date of the adoption of this Code;
- b. the date of his or her employment or appointment with the Agency;
or
- c. the date that he or she receives his or her license. Such licenses shall include, but are not limited to, those for accountants, architects, attorneys, electricians, insurance brokers, land surveyors, mortgage bankers and brokers, plumbers, professional engineers, professional planners, real estate agents and brokers, etc.

2. Employment and Activities Prohibited

No employee or Member shall accept employment or render services for any private or public interest when that employment or service is incompatible or in conflict with the discharge of his or her official duties or when that employment may tend to impair his or her independence of judgment in the performance of such duties. In addition, employment which may have conflicting work hours is prohibited.

a. Approval of All Employment

All employee outside employment must be approved in advance by the Executive Director or the Executive Director's designee. In order to be approved, outside employment must be limited in scope, so as to avoid the potential for having any dealings with entities or individuals or subsidiaries or affiliates thereof, who have business dealings with the Agency. In this regard, business dealings include direct dealings as a sponsor and indirect dealings as a contractor, architect, attorney or any other role.

D. Additional Restrictions

1. Except as provided below, and where such activity is not otherwise prohibited, an employee who conducts personal business, business activities where federal, state or city housing subsidies or public housing financing are involved must disclose such activities on the Agency's annual financial disclosure form. The term "personal business activities," in this context, includes both the obtaining for business purposes of public housing subsidies or public housing financing, either as owner or investor or as an employee of an owner or investor and the representation as agent, consultant, attorney or contractor of any entity utilizing or proposing to utilize housing subsidies or public housing financing. Representation of a housing project, as required by the scope of authority or responsibility of an officer, employee or Member of the Agency, if for the public interest, shall not be considered a "personal business activity."

The term "personal business activities" does not include the utilization of a subsidized housing program with respect to one's personal residence. Nor does the term "personal business activities" preclude non-senior Agency employees, who are not involved in decision making regarding loan purchases, from obtaining Agency financed or assisted loans for their own residence if they meet all other program criteria. Any employee wishing to apply for such a loan may do so upon obtaining approval from the Executive Director.

Nothing in this section or in this Code shall be deemed to preclude normal business transactions (e.g. personal banking; purchase, sale or financing of a personal residence; etc.) by an employee with any financial institution, even though that institution does business with the Agency, provided that the employee does not receive any preferential or extraordinary treatment in those transactions and provided that the employee does not extend preferential or extraordinary treatment to the financial institution.

VII. SPECIAL CASINO RELATED CONSIDERATIONS

A. Concurrent Employment Restrictions

No officer or employee of the Agency, nor any member of their immediate families, nor any partnership, firm or corporation with which any Agency officer or employee is associated or in which he has an interest, nor any partner, officer or director or employee or person while he is associated with such partnership, firm or corporation, shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for, or negotiate on behalf of, any holder of or applicant for, a casino license, or any holding or intermediary company with respect thereto, in connection with any cause, application or matter. No member shall hold, directly or indirectly, an interest in, or hold employment with, or represent, appear or negotiate on behalf of, any holder or applicant for a casino license, or any holding or intermediary company with respect thereto, in connection with any cause, application or matter. (See N.J.S.A. 52:13D-17.2(b).)

B. After Employment Casino Restrictions

No officer or employee of the Agency subject to financial disclosure by law or executive order, not any member of his immediate family, not any partnership, firm or corporation with which such person is associated or in which he has an interest, not any partner, officer, director or employee while he is associated with such partnership, firm or corporation, shall, within two years next subsequent to the termination of the office or employment of such person, hold, directly or indirectly, an interest in, or hold employment with, or represent, appear for or negotiate on behalf of, any holder of, or applicant for, a casino license in connection with any cause, application or matter, or any holding or intermediary company with respect to such holder of, or applicant for, a casino license in connection with any phase of casino development, permitting, licensure or any other matter whatsoever related to casino activity. (See N.J.S.A. 52:13D-17.2(c).)

C. Expiration

The requirements of Section A, supra, notwithstanding, in the event that the Legislature repeals or suspends Section 4 of P.L. 1981 c. 142 (C. 52:13D-17.2), in whole or in part, the companion sections of this code shall, to the same extent, be deemed repealed or suspended and of no effect.

VIII. AFTER EMPLOYMENT RESTRICTIONS

An employee or Member of the Agency is subject to the provisions of the New Jersey Conflicts of Interest Statute (N.J.S.A. 52:13D-17), which is set forth below:

“No State officer or employee or special State officer or employee, subsequent to the termination of his office or employment in any State agency, shall represent, appear for or negotiate on behalf of, or agree to represent, appear for, negotiate on behalf of, whether by himself or through any partnership, firm or corporation in which he has an interest or through any partner, office of employee thereof, any person or party other than the State in connection with any cause, proceeding, application or other matter with respect to which such State officer or employee or special State officer or employee shall have made any investigation, rendered any ruling, given any opinion, or been otherwise substantially and directly involved at any time during the course of his office or employment. Any person who willfully violates the provisions of this section is a disorderly person and shall be subject to a fine not to exceed \$500 or imprisonment not to exceed 6 months, or both.”

Questions concerning possible after employment conflicts may be addressed to the Executive Commission on Ethical Standards.

IX. VIOLATIONS AND SANCTIONS

An employee or a Member who violates this Code of Ethics may be subject to sanctions in accordance with the Conflicts of Interest Law (N.J.S.A. 52:13D-12 et seq.), the New Jersey Code of Criminal Justice (N.J.S.A. 2C:1-1 et seq.), and the penalty provisions of the New Jersey Housing and Mortgage Finance Agency Law (N.J.S.A. 55:14K-1 et seq.). Such sanctions include fines, prison terms, removal or suspension from office and ineligibility for future State employment.

Given the severe consequence of violating this Code; all employees and Members are advised to strictly adhere to it and to seek advice from the Executive Director, the Executive Director's designee or the Executive Commission on Ethical Standards if they have any questions concerning their obligations under this Code.